

## Exhibit C

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Mr. David Egan, CPA  
Ameritech Services, Inc.  
722 North Broadway  
Floor 11  
Milwaukee, Wisconsin 53202-4303

Via fax: 214 464-2006.  
ATTN: Notices Manager  
311 S Akard, 9th floor  
Four SBC Plaza  
Dallas, Texas 75202-5398

Re: SBC Ameritech/AccuTel of Texas, Inc. d/b/a 1-800-4-A-PHONE interconnection agreement  
deposit dispute

Dear Mr. Egan:

As you know, I represent AccuTel of Texas, Inc., d/b/a 1-800-4-A-PHONE ("AccuTel"). We visited by phone earlier this week wherein I expressed AccuTel's objections to the unnecessary and unreasonable deposit required of AccuTel by Ameritech prior to provisioning AccuTel's orders, and tried to negotiate a lower or no deposit. Please allow this letter to reiterate AccuTel's position and supplement our conversation of earlier this week.

AccuTel contends that no deposit is required under the circumstances. The parties' interconnection agreement permits Ameritech to charge AccuTel a deposit only if AccuTel has not established a minimum of 12 consecutive months good credit history with all SBC-owned ILECs where CLEC is doing or has done business as a local service provider.<sup>1</sup>

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<sup>1</sup>  
7.2 If CLEC has not established a minimum of twelve (12) consecutive months good Credit history with all SBC-owned ILECs (that is, AMERITECH, NEVADA, PACIFIC, SNET, and SWBT) where CLEC is doing or

In this case, Ameritech is not entitled to charge AccuTel a deposit because AccuTel has a good credit history with all SBC ILECs with which AccuTel is doing business. AccuTel has never paid a bill late, although there may have been occasion when SWBT has not processed AccuTel payments on the day SWBT received those payments. And, while AccuTel has had demand letters from SWBT and AIT, these have been in relation to amounts properly placed in dispute, and late charges connected to the disputed charges. Excluding these disputed issues, AccuTel's payment history should be rated satisfactory for the 12 months. This is borne out by the fact that AccuTel has never had to pay any deposit to any SBC ILEC to date.

Nevertheless, let's assume for the sake of argument that Ameritech is entitled to a deposit before processing AccuTel's orders. Under such a circumstance, Section 7.2.3 permits SBC-AMERITECH to require two to four months of projected initial average monthly billings as a deposit.<sup>2</sup> However, you have required a \$2 million deposit before connecting AccuTel even though AccuTel has *no* customers yet. You derived this figure from AccuTel's billings *system-wide* for a two month period, and insisted it was necessary to protect Ameritech's interests in the case of default once AccuTel had become established, months or years in the future.

This approach is improper and unreasonable. Were a deposit proper, it should be based on projected *initial* billings only for Illinois, and were AccuTel ever to fail to timely meet its obligations to Ameritech in the future, Ameritech is allowed to protect itself by raising or requiring additional deposit at that time under Sections 7.4 to 7.8. A deposit this high under these circumstances is patently unreasonable. AccuTel views its imposition as an unabashed attempt to bar AccuTel's entry to the marketplace and a violation of 22 ILCS 5/13-514(1), (6) and (8).

In this case, AccuTel expects the initial average two and four months' total billings to be between \$13,299.42 to \$52,373.51. This is based upon the initial two to four months billings average for the last three states that AccuTel has entered:

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has done business as a local service provider, CLEC shall remit an initial cash deposit to SBC-12STATE prior to the furnishing of Resale Services or Network Elements in each state covered by this Agreement. The deposit required by the previous sentence shall be determined as follows: ...

See also 7.2.4: If CLEC has established a minimum of twelve (12) consecutive months good credit history with all SBC-owned ILEC(s) (that is, AMERITECH, NEVADA PACIFIC, SNET and SWBT) with which CLEC is doing or has done business as a Local Service Provider, SBC-12STATE shall waive the initial deposit requirement....

A copy of the interconnection deposit provisions are attached in their entirety for your reference.

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7.2.3 for SBC-AMERITECH, subject to external credit check verification and/or financial statement review, SBC-AMERITECH may require two (2) to four (4) Months of projected average monthly billings as a deposit....

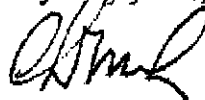
See also and compare § 7.2.1 (establishing initial deposit for other ILECs at \$17,000) and § 7.7 (looking to most recent three months of billing when recalculating the deposit for that state).

	Oklahoma	Kansas	Arkansas
Month 1	57.42	5,439.61	2,729.11
Month 2	456.73	13,288.73	18,376.66
Month 3	12,347.83	17,913.76	16,878.61
Month 4	29,245	20,458.88	20,378.10

Accordingly, a reasonable deposit based on the projected first two months of billings would be \$15,000. Ameritech has 48 hours from receipt of this notice to correct the situation by agreeing either that no deposit is necessary or to accept a reasonable deposit. If a resolution has not been reached by that time, AccuTel will file a complaint with the Commission pursuant to 22 ILCS 5/13-515(e) seeking emergency relief, and damages, attorney's fees, and costs as permitted by 22 ILCS 5/13-516(a)(3).

I look forward to your response.

Very truly yours,



Chris Malish

enclosure: interconnection deposit provisions

cc via email: Kit Morris  
Ken Weaver  
Richard Balough